

have data specifying the number of these carriers that are not independently owned and operated, or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of CAPs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 109 small entity CAPs that may be affected by the proposed rules, if adopted..

17. Operator Service Providers. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of operator services. The closest applicable definition under the SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁴⁷ According to the most recent Telecommunications Industry Revenue data, 27 carriers reported that they were engaged in the provision of operator services.⁴⁸ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of operator service providers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 27 small entity operator service providers that may be affected by the proposed rules, if adopted..

18. Pay Telephone Operators. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to pay telephone operators. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁴⁹ According to the most recent Telecommunications Industry Revenue data, 441 carriers reported that they were engaged in the provision of pay telephone services.⁵⁰ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of pay telephone operators that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 441 small entity pay telephone operators that may be affected by the proposed rules, if adopted.

19. Resellers (including debit card providers). Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to resellers. The closest applicable SBA definition for a reseller is a telephone communications company other than radiotelephone (wireless) companies.⁵¹ According to the most recent Telecommunications

⁴⁷ 13 CFR § 121.201, SIC code 4813.

⁴⁸ Telecommunications Industry Revenue, Figure 2.

⁴⁹ 13 CFR § 121.201, SIC code 4813.

⁵⁰ Telecommunications Industry Revenue, Figure 2.

⁵¹ 13 CFR § 121.201, SIC code 4813.

Industry Revenue data, 339 reported that they were engaged in the resale of telephone service.⁵² We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of resellers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 339 small entity resellers that may be affected by the proposed rules, if adopted.

20. **800 Service Subscribers.**⁵³ Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to 800 service ("toll free") subscribers. The most reliable source of information regarding the number of 800 service subscribers appears to be data the Commission collects on the 800 numbers in use.⁵⁴ According to our most recent data, at the end of 1995, the number of 800 numbers in use was 6,987,063. Similarly, the most reliable source of information regarding the number of 888 service subscribers appears to be data the Commission collects on the 888 numbers in use.⁵⁵ According to our most recent data, at the end of August 1996, the number of 888 numbers that had been assigned was 2,014,059. We do not have data specifying the number of these subscribers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of toll free subscribers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 6,987,063 small entity 800 subscribers and fewer than 2,014,059 small entity 888 subscribers that may be affected by the proposed rules, if adopted.

INTERNATIONAL SERVICES

21. The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is generally the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC).⁵⁶ This definition provides that a small entity is expressed as one with \$11.0 million or less in annual receipts.⁵⁷ According to the Census Bureau, there were a total of 848 communications services providers, NEC, in operation in 1992, and a total of 775 had

⁵² Telecommunications Industry Revenue, Figure 2.

⁵³ We include all toll-free number subscribers in this category, including 888 numbers.

⁵⁴ FCC, CCB Industry Analysis Division, FCC Releases, Study on Telephone Trends, Tbl. 20 (May 16, 1996).

⁵⁵ FCC, CCB Industry Analysis Division, Long Distance Carrier Code Assignments, p. 80, Tbl. 10B (Oct. 18, 1996).

⁵⁶ An exception is the Direct Broadcast Satellite (DBS) Service, infra.

⁵⁷ 13 CFR § 120.121, SIC code 4899.

annual receipts of less than \$9,999 million.⁵⁸ The Census report does not provide more precise data.

22. International Broadcast Stations. Commission records show that there are 20 international broadcast station licensees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition. However, the Commission estimates that only six international broadcast stations are subject to regulatory fee payments.

23. International Public Fixed Radio (Public and Control Stations). There are 3 licensees in this service subject to payment of regulatory fees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition.

24. Fixed Satellite Transmit/Receive Earth Stations. There are approximately 3000 earth station authorizations, a portion of which are Fixed Satellite Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of the earth stations that would constitute a small business under the SBA definition.

25. Fixed Satellite Small Transmit/Receive Earth Stations. There are 3000 earth station authorizations, a portion of which are Fixed Satellite Small Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of fixed satellite transmit/receive earth stations may constitute a small business under the SBA definition.

26. Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. These stations operate on a primary basis, and frequency coordination with terrestrial microwave systems is not required. Thus, a single "blanket" application may be filed for a specified number of small antennas and one or more hub stations. The Commission has processed 377 applications. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of VSAT systems that would constitute a small business under the SBA definition.

27. Mobile Satellite Earth Stations. There are two licensees. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of mobile satellite earth stations that would constitute a small business under the SBA definition.

28. Radio Determination Satellite Earth Stations. There are four licensees. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of radio determination satellite earth stations that would constitute a small business under the

⁵⁸ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D, SIC code 4899 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

SBA definition.

29. **Space Stations (Geostationary).** Commission records reveal that there are 46 space station licensees. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of geostationary space stations that would constitute a small business under the SBA definition.

30. **Space Stations (Non-Geostationary).** There are six Non-Geostationary Space Station licensees, of which only two systems are operational. We do not request nor collect annual revenue information, and thus are unable to estimate of the number of non-geostationary space stations that would constitute a small business under the SBA definition.

31. **Direct Broadcast Satellites.** Because DBS provides subscription services, DBS falls within the SBA-recognized definition of "Cable and Other Pay Television Services."⁵⁹ This definition provides that a small entity is one with \$11.0 million or less in annual receipts.⁶⁰ As of December 1996, there were eight DBS licensees. However, the Commission does not collect annual revenue data for DBS and, therefore, is unable to ascertain the number of small DBS licensees that could be impacted by these proposed rules. Although DBS service requires a great investment of capital for operation, there are several new entrants in this field that may not yet have generated \$11 million in annual receipts, and therefore may be categorized as small businesses, if independently owned and operated.

MASS MEDIA SERVICES

32. **Commercial Radio and Television Services.** The proposed rules and policies will apply to television broadcasting licensees and radio broadcasting licensees.⁶¹ The SBA defines a television broadcasting station that has \$10.5 million or less in annual receipts as a small business.⁶² Television broadcasting stations consist of establishments primarily engaged in broadcasting visual programs by television to the public, except cable and other pay television

⁵⁹ 13 CFR § 120.121, SIC code 4841.

⁶⁰ 13 CFR § 121.201, SIC code 4841.

⁶¹ While we tentatively believe that the SBA's definition of "small business" greatly overstates the number of radio and television broadcast stations that are small businesses and is not suitable for purposes of determining the impact of the proposals on small television and radio stations, for purposes of this Notice we utilize the SBA's definition in determining the number of small businesses to which the proposed rules would apply. We reserve the right to adopt, in the future, a more suitable definition of "small business" as applied to radio and television broadcast stations or other entities subject to the proposed rules in this Notice, and to consider further the issue of the number of small entities that are radio and television broadcasters or other small media entities. See Report and Order in MM Docket No. 93-48 (Children's Television Programming), 11 FCC Rcd 10660, 10737-38 (1996), 61 FR 43981 (August 27, 1996), citing 5 U.S.C. § 601(3).

⁶² 13 CFR § 121.201, SIC code 4833.

services.⁶³ Included in this industry are commercial, religious, educational, and other television stations.⁵² Also included are establishments primarily engaged in television broadcasting and which produce taped television program materials.⁵³ Separate establishments primarily engaged in producing taped television program materials are classified under another SIC number.⁵⁴ There were 1,509 television stations operating in the nation in 1992.⁵⁵ That number has remained fairly constant as indicated by the approximately 1,564 operating television broadcasting stations in the nation as of December 31, 1997.⁵⁶ For 1992,⁵⁷ the number of television stations that produced less than \$10.0 million in revenue was 1,155 establishments.⁵⁸ Only commercial stations are subject to regulatory fees.

33. Additionally, the Small Business Administration defines a radio broadcasting station that has \$5 million or less in annual receipts as a small business.⁵⁹ A radio broadcasting station is an establishment primarily engaged in broadcasting aural programs by radio to the public.⁶⁰

⁶³ Economics and Statistics Administration, Bureau of Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications and Utilities, Establishment and Firm Size, Series UC92-S-1, Appendix A-9 (1995) (1992 Census, Series UC92-S-1).

⁵² Id.; see Executive Office of the President, Office of Management and Budget, Standard Industrial Classification Manual (1987), at 283, which describes "Television Broadcasting Stations" (SIC code 4833) as:

Establishments primarily engaged in broadcasting visual programs by television to the public, except cable and other pay television services. Included in this industry are commercial, religious, educational and other television stations. Also included here are establishments primarily engaged in television broadcasting and which produce taped television program materials.

⁵³ 1992 Census, Series UC92-S-1, at Appendix A-9.

⁵⁴ Id., SIC code 7812 (Motion Picture and Video Tape Production); SIC code 7922 (Theatrical Producers and Miscellaneous Theatrical Services) (producers of live radio and television programs).

⁵⁵ FCC News Release No. 31327 (Jan. 13, 1993); 1992 Census, Series UC92-S-1, at Appendix A-9.

⁵⁶ FCC News Release, "Broadcast Station Totals as of December 31, 1997."

⁵⁷ A census to determine the estimated number of Communications establishments is performed every five years, in years ending with a "2" or "7." See 1992 Census, Series UC92-S-1, at III.

⁵⁸ The amount of \$10 million was used to estimate the number of small business establishments because the relevant Census categories stopped at \$9,999,999 and began at \$10,000,000. No category for \$10.5 million existed. Thus, the number is as accurate as it is possible to calculate with the available information.

⁵⁹ 13 CFR § 121.201, SIC code 4832.

⁶⁰ 1992 Census, Series UC92-S-1, at Appendix A-9.

Included in this industry are commercial, religious, educational, and other radio stations.⁶¹ Radio broadcasting stations which primarily are engaged in radio broadcasting and which produce radio program materials are similarly included.⁶² However, radio stations which are separate establishments and are primarily engaged in producing radio program material are classified under another SIC number.⁶³ The 1992 Census indicates that 96 percent (5,861 of 6,127) radio station establishments produced less than \$5 million in revenue in 1992.⁶⁴ Official Commission records indicate that 11,334 individual radio stations were operating in 1992.⁶⁵ As of December 31, 1997, Commission records indicate that 12,27 radio stations were operating, of which 7,465 were FM stations.⁶⁶ Only commercial stations are subject to regulatory fees.

34. Thus, the proposed rules, if adopted, will affect approximately 1,558 full power television stations, approximately 1,200 of which are considered small businesses.⁶⁷ Additionally, the proposed rules will affect some 12,156 full power radio stations, approximately 11,670 of which are small businesses.⁶⁸ These estimates may overstate the number of small entities because the revenue figures on which they are based do not include or aggregate revenues from non-television or non-radio affiliated companies. There are also 1,952 low power television stations (LPTV).⁶⁹ Given the nature of this service, we will presume that all LPTV licensees qualify as small entities under the SBA definition.

Alternative Classification of Small Stations

35. An alternative way to classify small radio and television stations is by number of employees. The Commission currently applies a standard based on the number of employees

⁶¹ Id.

⁶² Id.

⁶³ Id.

⁶⁴ The Census Bureau counts radio stations located at the same facility as one establishment. Therefore, each co-located AM/FM combination counts as one establishment.

⁶⁵ FCC News Release, No. 31327 (Jan. 13, 1993).

⁶⁶ FCC News Release, "Broadcast Station Totals as of December 31, 1997."

⁶⁷ We use the 77 percent figure of TV stations operating at less than \$10 million for 1992 and apply it to the 1997 total of 1558 TV stations to arrive at 1,200 stations categorized as small businesses.

⁶⁸ We use the 96% figure of radio station establishments with less than \$5 million revenue from the Census data and apply it to the 12,088 individual station count to arrive at 11,605 individual stations as small businesses.

⁶⁹ FCC News Release, No. 7033 (Mar. 6, 1997).

in administering its Equal Employment Opportunity Rule (EEO) for broadcasting.⁷⁰ Thus, radio or television stations with fewer than five full-time employees are exempted from certain EEO reporting and record keeping requirements.⁷¹ We estimate that the total number of broadcast stations with 4 or fewer employees is approximately 4,239.⁷²

Auxiliary, Special Broadcast and other program distribution services

36. This service involves a variety of transmitters, generally used to relay broadcast programming to the public (through translator and booster stations) or within the program distribution chain (from a remote news gathering unit back to the station). The Commission has not developed a definition of small entities applicable to broadcast auxiliary licensees. Therefore, the applicable definitions of small entities are those, noted previously, under the SBA rules applicable to radio broadcasting stations and television broadcasting stations.⁷³

37. There are currently 2,720 FM translators and boosters, 4,952 TV translators.⁷⁴ The FCC does not collect financial information on any broadcast facility and the Department of Commerce does not collect financial information on these auxiliary broadcast facilities. We believe, however, that most, if not all, of these auxiliary facilities could be classified as small businesses by themselves. We also recognize that most translators and boosters are owned by a parent station which, in some cases, would be covered by the revenue definition of small business entity discussed above. These stations would likely have annual revenues that exceed

⁷⁰ The Commission's definition of a small broadcast station for purposes of applying its EEO rules was adopted prior to the requirement of approval by the SBA pursuant to section 3(a) of the Small Business Act, 15 U.S.C. § 632(a), as amended by section 222 of the Small Business Credit and Business Opportunity Enhancement Act of 1992, Public Law 102-366, § 222(b)(1), 106 Stat. 999 (1992), as further amended by the Small Business Administration Reauthorization and Amendments Act of 1994, Public Law 103-403, § 301, 108 Stat. 4187 (1994). However, this definition was adopted after public notice and the opportunity for comment. See Report and Order in Docket No. 18244, 23 FCC 2d 430 (1970), 35 FR 8925 (June 6, 1970).

⁷¹ See, e.g., 47 CFR § 73.3612 (Requirement to file annual employment reports on Form 395 applies to licensees with five or more full-time employees); First Report and Order in Docket No. 21474 (Amendment of Broadcast Equal Employment Opportunity Rules and FCC Form 395), 70 FCC 2d 1466 (1979), 50 FR 50329 (December 10, 1985). The Commission is currently considering how to decrease the administrative burdens imposed by the EEO rule on small stations while maintaining the effectiveness of our broadcast EEO enforcement. Order and Notice of Proposed Rule Making in MM Docket No. 96-16 (Streamlining Broadcast EEO Rule and Policies, Vacating the EEO Forfeiture Policy Statement and Amending Section 1.80 of the Commission's Rules to Include EEO Forfeiture Guidelines), 11 FCC Rcd 5154 (1996), 61 FR 9964 (March 12, 1996). One option under consideration is whether to define a small station for purposes of affording such relief as one with ten or fewer full-time employees.

⁷² Compilation of 1994 Broadcast Station Annual Employment Reports (FCC Form B), Equal Opportunity Employment Branch, Mass Media Bureau, FCC.

⁷³ 13 C.F.R. § 121.201, SIC code 4832.

⁷⁴ FCC News Release, Broadcast Station Totals as of December 31, 1996, No. 71831 (Jan. 21, 1997).

the SBA maximum to be designated as a small business (either \$5 million for a radio station or \$10.5 million for a TV station). Furthermore, they do not meet the Small Business Act's definition of a "small business concern" because they are not independently owned and operated.⁷⁵

38. Multipoint Distribution Service (MDS). This service involves a variety of transmitters, which are used to relay programming to the home or office, similar to that provided by cable television systems.⁷⁶ In connection with the 1996 MDS auction the Commission defined small businesses as entities that had annual average gross revenues for the three preceding years not in excess of \$40 million.⁷⁷ This definition of a small entity in the context of MDS auctions has been approved by the SBA.⁷⁸ These stations were licensed prior to implementation of Section 309(j) of the Communications Act of 1934, as amended, 47 U.S.C. § 309(j). Licenses for new MDS facilities are now awarded to auction winners in Basic Trading Areas (BTAs) and BTA-like areas.⁷⁹ The MDS auctions resulted in 67 successful bidders obtaining licensing opportunities for 493 BTAs. Of the 67 auction winners, 61 meet the definition of a small business. There are 1,573 previously authorized and proposed MDS stations currently licensed. Thus, we conclude that there are 1,634 MDS providers that are small businesses as deemed by the SBA and the Commission's auction rules. It is estimated, however, that only 1,878 MDS licensees are subject to regulatory fees and the number which are small businesses is unknown.

WIRELESS AND COMMERCIAL MOBILE SERVICES

39. Cellular Licensees. Neither the Commission nor the SBA has developed a definition of small entities applicable to cellular licensees. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to radiotelephone (wireless) companies. This provides that a small entity is a radiotelephone company employing no more than 1,500 persons.⁸⁰ According to the Bureau of the Census, only twelve radiotelephone firms out of a

⁷⁵ 15 U.S.C. § 632.

⁷⁶ For purposes of this item, MDS includes both the single channel Multipoint Distribution Service (MDS) and the Multichannel Multipoint Distribution Service (MMDS).

⁷⁷ See 47 C.F.R. § 1.2110 (a)(1).

⁷⁸ Amendment of Parts 21 and 74 of the Commission's Rules with Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act - Competitive Bidding, 10 FCC Rcd 9589 (1995), 60 FR 36524 (July 17, 1995).

⁷⁹ Id. A Basic Trading Area (BTA) is the geographic area by which the Multipoint Distribution Service is licensed. See Rand McNally 1992 Commercial Atlas and Marketing Guide, 123rd Edition, pp. 36-39.

⁸⁰ 13 C.F.R. § 121.201, SIC code 4812.

total of 1,178 such firms which operated during 1992 had 1,000 or more employees.⁸¹ Therefore, even if all twelve of these firms were cellular telephone companies, nearly all cellular carriers were small businesses under the SBA's definition. In addition, we note that there are 1,758 cellular licenses; however, a cellular licensee may own several licenses. In addition, according to the most recent Telecommunications Industry Revenue data, 804 carriers reported that they were engaged in the provision of either cellular service or Personal Communications Service (PCS) services, which are placed together in the data.⁸² We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of cellular service carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 804 small cellular service carriers that may be affected by the proposed rules, if adopted..

40. 220 MHz Radio Services. Because the Commission has not yet defined a small business with respect to 220 MHz services, we will utilize the SBA definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁸³ With respect to 220 MHz services, the Commission has proposed a two-tiered definition of small business for purposes of auctions: (1) for Economic Area (EA) licensees, a firm with average annual gross revenues of not more than \$6 million for the preceding three years and (2) for regional and nationwide licensees, a firm with average annual gross revenues of not more than \$15 million for the preceding three years. Given that nearly all radiotelephone companies under the SBA definition employ no more than 1,500 employees (as noted *supra*), we will consider the approximately 1,500 incumbent licensees in this service as small businesses under the SBA definition.

41. Private and Common Carrier Paging. The Commission has proposed a two-tier definition of small businesses in the context of auctioning licenses in the Common Carrier Paging and exclusive Private Carrier Paging services. Under the proposal, a small business will be defined as either (1) an entity that, together with its affiliates and controlling principals, has average gross revenues for the three preceding years of not more than \$3 million, or (2) an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than \$15 million. Because the SBA has not yet approved this definition for paging services, we will utilize the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁸⁴ At present, there are approximately 24,000 Private Paging licenses and 74,000 Common Carrier Paging licenses. According to the most recent Telecommunications

⁸¹ 1992 Census, Series UC92-S-1, at Table 5, SIC code 4812.

⁸² Telecommunications Industry Revenue, Figure 2.

⁸³ 13 C.F.R. § 121.201, SIC code 4812.

⁸⁴ 13 C.F.R. § 121.201, SIC code 4812.

Industry Revenue data, 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services, which are placed together in the data.⁸⁵ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of paging carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 172 small paging carriers that may be affected by the proposed rules, if adopted. We estimate that the majority of private and common carrier paging providers would qualify as small entities under the SBA definition.

42. **Mobile Service Carriers.** Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to mobile service carriers, such as paging companies. As noted above in the section concerning paging service carriers, the closest applicable definition under the SBA rules is that for radiotelephone (wireless) companies,⁸⁶ and the most recent Telecommunications Industry Revenue data shows that 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services.⁸⁷ Consequently, we estimate that there are fewer than 172 small mobile service carriers that may be affected by the proposed rules, if adopted.

43. **Broadband Personal Communications Service (PCS).** The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues of less than \$40 million in the three previous calendar years.⁸⁸ For Block F, an additional classification for "very small business" was added and is defined as an entity that, together with their affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.⁸⁹ These regulations defining "small entity" in the context of broadband PCS auctions have been approved by the SBA.⁹⁰ No small businesses within the SBA-approved definition bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C

⁸⁵ Telecommunications Industry Revenue, Figure 2.

⁸⁶ 13 C.F.R. § 121.201, SIC code 4812.

⁸⁷ Telecommunications Industry Revenue, Figure 2.

⁸⁸ See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap. Report and Order, FCC 96-278, WT Docket No. 96-59, paras. 57- 60 (released June 24, 1996), 61 FR 33859 (July 1, 1996); see also 47 C.F.R. § 24.720(b).

⁸⁹ See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap. Report and Order, FCC 96-278, WT Docket No. 96-59, para. 60 (1996), 61 FR 33859 (July 1, 1996).

⁹⁰ See, e.g., Implementation of Section 309(j) of the Communications Act -- Competitive Bidding, PP Docket No. 93-253, Fifth Report and Order, 9 FCC Rcd 5532, 5581-84 (1994).

auctions. A total of 93 small and very small business bidders won approximately 40% of the 1,479 licenses for Blocks D, E, and F.⁹¹ Based on this information, we conclude that the number of small broadband PCS licensees will include the 90 winning C Block bidders and the 93 qualifying bidders in the D, E, and F blocks, for a total of 183 small entity PCS providers as defined by the SBA and the Commission's auction rules.

44. Narrowband PCS. The Commission has auctioned nationwide and regional licenses for narrowband PCS. There are 11 nationwide and 30 regional licensees for narrowband PCS. The Commission does not have sufficient information to determine whether any of these licensees are small businesses within the SBA-approved definition for radiotelephone companies. At present, there have been no auctions held for the major trading area (MTA) and basic trading area (BTA) narrowband PCS licenses. The Commission anticipates a total of 561 MTA licenses and 2,958 BTA licenses will be awarded by auction. Such auctions have not yet been scheduled, however. Given that nearly all radiotelephone companies have no more than 1,500 employees and that no reliable estimate of the number of prospective MTA and BTA narrowband licensees can be made, we assume, for purposes of this IRFA, that all of the licenses will be awarded to small entities, as that term is defined by the SBA.

45. Rural Radiotelephone Service. The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.⁹² A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).⁹³ We will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁹⁴ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

46. Air-Ground Radiotelephone Service. The Commission has not adopted a definition of small entity specific to the Air-Ground Radiotelephone Service.⁹⁵ Accordingly, we will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁹⁶ There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small under the SBA definition.

⁹¹ FCC News, Broadband PCS, D, E and F Block Auction Closes, No. 71744 (released January 14, 1997).

⁹² The service is defined in Section 22.99 of the Commission's Rules, 47 C.F.R. § 22.99.

⁹³ BETRS is defined in Sections 22.757 and 22.759 of the Commission's Rules, 47 C.F.R. §§ 22.757, 22.759.

⁹⁴ 13 C.F.R. § 121.201, SIC code 4812.

⁹⁵ The service is defined in Section 22.99 of the Commission's Rules, 47 C.F.R. §§ 22.99.

⁹⁶ 13 C.F.R. § 121.201, SIC code 4812.

47. **Specialized Mobile Radio (SMR).** The Commission awards bidding credits in auctions for geographic area 800 MHz and 900 MHz SMR licenses to firms that had revenues of no more than \$15 million in each of the three previous calendar years.⁹⁷ In the context of 900 MHz SMR, this regulation defining "small entity" has been approved by the SBA; approval concerning 800 MHz SMR is being sought.

48. The proposed fees in the NPRM apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million. One firm has over \$15 million in revenues. We assume, for purposes of this IRFA, that all of the remaining existing extended implementation authorizations are held by small entities, as that term is defined by the SBA.

49. The Commission has held auctions for geographic area licenses in the 900 MHz SMR band, and recently completed an auction for geographic area 800 MHz SMR licenses. There were 60 winning bidders who qualified as small entities in the 900 MHz auction. In the recently concluded 800 MHz SMR auction there were 524 licenses awarded to winning bidders, of which 38 were won by small or very small entities.

50. **Private Land Mobile Radio (PLMR).** PLMR systems serve an essential role in a range of industrial, business, land transportation, and public safety activities. These radios are used by companies of all sizes operating in all U.S. business categories. The Commission has not developed a definition of small entity specifically applicable to PLMR licensees due to the vast array of PLMR users. For the purpose of determining whether a licensee is a small business as defined by the SBA, each licensee would need to be evaluated within its own business area.

51. The Commission is unable at this time to estimate the number of small businesses which could be impacted by the rules. However, the Commission's 1994 Annual Report on PLMRs⁹⁸ indicates that at the end of fiscal year 1994 there were 1,087,267 licensees operating 12,481,989 transmitters in the PLMR bands below 512 MHz. Because any entity engaged in a commercial activity is eligible to hold a PLMR license, the proposed rules in this context could potentially impact every small business in the United States.

52. **Amateur Radio Service.** We estimate that 10,000 applicants will apply for vanity call signs in FY 1998. All are presumed to be individuals. All other amateur licensees are exempt from payment of regulatory fees.

⁹⁷ See 47 C.F.R. § 90.814(b)(1).

⁹⁸ Federal Communications Commission, 60th Annual Report, Fiscal Year 1994, at 116.

53. **Aviation and Marine Radio Service.** Small businesses in the aviation and marine radio services use a marine very high frequency (VHF) radio, any type of emergency position indicating radio beacon (EPIRB) and/or radar, a VHF aircraft radio, and/or any type of emergency locator transmitter (ELT). The Commission has not developed a definition of small entities specifically applicable to these small businesses. Therefore, the applicable definition of small entity is the definition under the SBA rules for radiotelephone communications.⁹⁹

54. Most applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. Therefore, for purposes of our evaluations and conclusions in this IRFA, we estimate that there may be at least 712,000 potential licensees which are individuals or are small entities, as that term is defined by the SBA. We estimate, however, that only 16,500 will be subject to FY 1998 regulatory fees.

55. **Fixed Microwave Services.** Microwave services include common carrier,¹⁰⁰ private-operational fixed,¹⁰¹ and broadcast auxiliary radio services.¹⁰² At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not yet defined a small business with respect to microwave services. For purposes of this IRFA, we will utilize the SBA's definition applicable to radiotelephone companies -- *i.e.*, an entity with no more than 1,500 persons.¹⁰³ We estimate, for this purpose, that all of the Fixed Microwave licensees (excluding broadcast auxiliary licensees) would qualify as small entities under the SBA definition for radiotelephone companies.

56. **Public Safety Radio Services.** Public Safety radio services include police, fire, local

⁹⁹ 13 C.F.R. § 121.201, SIC code 4812.

¹⁰⁰ 47 C.F.R. § 101 *et seq.* (formerly, Part 21 of the Commission's Rules).

¹⁰¹ Persons eligible under Parts 80 and 90 of the Commission's rules can use Private Operational-Fixed Microwave services. *See* 47 C.F.R. Parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

¹⁰² Auxiliary Microwave Service is governed by Part 74 of Title 47 of the Commission's Rules. *See* 47 C.F.R. § 74 *et seq.* Available to licensees of broadcast stations and to broadcast and cable network entities, broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile TV pickups, which relay signals from a remote location back to the studio.

¹⁰³ 13 C.F.R. § 121.201, SIC 4812.

government, forestry conservation, highway maintenance, and emergency medical services.¹⁰⁴ There are a total of approximately 127,540 licensees within these services. Governmental entities as well as private businesses comprise the licensees for these services. As indicated supra in paragraph four of this IRFA, all governmental entities with populations of less than 50,000 fall within the definition of a small entity.¹⁰⁵ All licensees in this category are exempt from the payment of regulatory fees.

57. Personal Radio Services. Personal radio services provide short-range, low power radio for personal communications, radio signalling, and business communications not provided for in other services. The services include the citizen's band (CB) radio service, general mobile radio service (GMRS), radio control radio service, and family radio service (FRS).¹⁰⁶ Inasmuch as the CB, GMRS, and FRS licensees are individuals, no small business definition applies for these services. We are unable at this time to estimate the number of other licensees that would qualify as small under the SBA's definition; however, only GMRS licensees are subject to regulatory fees.

58. Offshore Radiotelephone Service. This service operates on several UHF TV broadcast channels that are not used for TV broadcasting in the coastal area of the states bordering the Gulf of Mexico.¹⁰⁷ At present, there are approximately 55 licensees in this service. We are

¹⁰⁴ With the exception of the special emergency service, these services are governed by Subpart B of Part 90 of the Commission's Rules, 47 C.F.R. §§ 90.15 - 90.27. The police service includes 26,608 licensees that serve state, county, and municipal enforcement through telephony (voice), telegraphy (code) and teletype and facsimile (printed material). The fire radio service includes 22,677 licensees comprised of private volunteer or professional fire companies as well as units under governmental control. The local government service that is presently comprised of 40,512 licensees that are state, county, or municipal entities that use the radio for official purposes not covered by other public safety services. There are 7,325 licensees within the forestry service which is comprised of licensees from state departments of conservation and private forest organizations who set up communications networks among fire lookout towers and ground crews. The 9,480 state and local governments are licensed to highway maintenance service provide emergency and routine communications to aid other public safety services to keep main roads safe for vehicular traffic. The 1,460 licensees in the Emergency Medical Radio Service (EMRS) use the 39 channels allocated to this service for emergency medical service communications related to the delivery of emergency medical treatment. 47 C.F.R. §§ 90.15 - 90.27. The 19,478 licensees in the special emergency service include medical services, rescue organizations, veterinarians, handicapped persons, disaster relief organizations, school buses, beach patrols, establishments in isolated areas, communications standby facilities, and emergency repair of public communications facilities. 47 C.F.R. §§ 90.33 - 90.55.

¹⁰⁵ 5 U.S.C. § 601(5).

¹⁰⁶ Licensees in the Citizens Band (CB) Radio Service, General Mobile Radio Service (GMRS), Radio Control (R/C) Radio Service and Family Radio Service (FRS) are governed by Subpart D, Subpart A, Subpart C, and Subpart B, respectively, of Part 95 of the Commission's Rules. 47 C.F.R. §§ 95.401 - 95.428; §§ 95.1 - 95.181; §§ 95.201 - 95.225; 47 C.F.R. §§ 95.191 - 95.194.

¹⁰⁷ This service is governed by Subpart I of Part 22 of the Commission's Rules. See 47 C.F.R. §§ 22.1001 - 22.1037.

unable at this time to estimate the number of licensees that would qualify as small under the SBA's definition for radiotelephone communications.

59. Wireless Communications Services. This service can be used for fixed, mobile, radiolocation and digital audio broadcasting satellite uses. The Commission defined "small business" for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" as an entity with average gross revenues of \$15 million for each of the three preceding years. The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders that qualified as very small business entities, and one that qualified as a small business entity. We conclude that the number of geographic area WCS licensees affected includes these eight entities.

IV. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements:

60. With certain exceptions, the Commission's Schedule of Regulatory Fees applies to all Commission licensees and regulatees. Most licensees will be required to count the number of licenses or call signs authorized, complete and submit an FCC Form 159 ("FCC Remittance Advice"), and pay a regulatory fee based on the number of licenses or call signs.¹⁰⁸ Interstate telephone service providers must compute their annual regulatory fee based on their adjusted gross interstate revenue using information they already supply to the Commission in compliance with the Telecommunications Relay Service (TRS) Fund, and they must complete and submit the FCC Form 159. Compliance with the fee schedule will require some licensees to tabulate the number of units (e.g., cellular telephones, pagers, cable TV subscribers) they have in service, and complete and submit an FCC Form 159. Licensees ordinarily will keep a list of the number of units they have in service as part of their normal business practices. No additional outside professional skills are required to complete the FCC Form 159, and it can be completed by the employees responsible for an entity's business records.

¹⁰⁸ The following categories are exempt from the Commission's Schedule of Regulatory Fees: Amateur radio licensees (except applicants for vanity call signs) and operators in other non-licensed services (e.g., Personal Radio, part 15, ship and aircraft). Governments and non-profit (exempt under section 501(c) of the Internal Revenue Code) entities are exempt from payment of regulatory fees and need not submit payment. Non-commercial educational broadcast licensees are exempt from regulatory fees as are licensees of auxiliary broadcast services such as low power auxiliary stations, television auxiliary service stations, remote pickup stations and aural broadcast auxiliary stations where such licenses are used in conjunction with commonly owned non-commercial educational stations. Emergency Alert System licenses for auxiliary service facilities are also exempt as are instructional television fixed service licensees. Regulatory fees are automatically waived for the licensee of any translator station that: (1) is not licensed to, in whole or in part, and does not have common ownership with, the licensee of a commercial broadcast station; (2) does not derive income from advertising; and (3) is dependent on subscriptions or contributions from members of the community served for support. Receive only earth station permittees are exempt from payment of regulatory fees. A regulatee will be relieved of its fee payment requirement if its total fee due, including all categories of fees for which payment is due by the entity, amounts to less than \$10.

61. Each licensee must submit the FCC Form 159 to the Commission's lockbox bank after computing the number of units subject to the fee. As an option, licensees are permitted to file electronically or on computer diskette to minimize the burden of submitting multiple copies of the FCC Form 159. This latter, optional procedure may require additional technical skills. Licensees who pay small fees in advance supply fee information as part of their application and do not need to use the FCC Form 159.

62. Licensees and regulatees are advised that failure to submit the required regulatory fee in a timely manner will subject the licensee or regulatee to a late payment fee of 25% in addition to the required fee.¹⁰⁹ Until payment is received, no new or pending applications will be processed, and existing authorizations may be subject to rescission.¹¹⁰ Further, in accordance with the Debt Collection Improvement Act of 1996, federal agencies may bar a person or entity from obtaining a federal loan or loan insurance guarantee if that person or entity fails to pay a delinquent debt owed to any federal agency.¹¹¹ Thus, debts owed to the Commission may result in a person or entity being denied a federal loan or loan guarantee pending before another federal agency until such obligations are paid.¹¹²

63. The Commission's rules currently provide for relief in exceptional circumstances. Persons or entities that believe they have been placed in the wrong regulatory fee category or are experiencing extraordinary and compelling financial hardship, upon a showing that such circumstances override the public interest in reimbursing the Commission for its regulatory costs, may request a waiver, reduction or deferment of payment of the regulatory fee.¹¹³ However, timely submission of the required regulatory fee must accompany requests for waivers or reductions. This will avoid any late payment penalty if the request is denied. The fee will be refunded if the request is granted. In exceptional and compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in reduction of service to a community or other financial hardship to the licensee), the Commission will accept a petition to defer payment along with a waiver or reduction request.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:

64. The Omnibus Consolidated Appropriation Act, Public Law 105-119, requires the Commission to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress, pursuant to Section 9(a) of the Communications Act, as

¹⁰⁹ 47 U.S.C. § 1.1164(a).

¹¹⁰ 47 U.S.C. § 1.1164(c).

¹¹¹ Public Law 104-134, 110 Stat. 1321 (1996).

¹¹² 31 U.S.C. § 7701(c)(2)(B).

¹¹³ 47 U.S.C. § 1.1166.

amended, has required the Commission to collect for Fiscal Year (FY) 1998. See 47 U.S.C. §159(a). We seek comment on the proposed methodology for implementing these statutory requirements and any other potential impact of these proposals on small entities.

65. With the use of actual cost accounting data for computation of regulatory fees, we found that some fees which were very small in previous years would have increased dramatically. The methodology proposed in this NPRM minimizes this impact by limiting the amount of increase and shifting costs to other services which, for the most part, are larger entities.

66. Several categories of licensees and regulatees are exempt from payment of regulatory fees. See, e.g., footnote 108, supra, and Attachment H of the NPRM, infra.

VI. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules:

67. None.

SOURCES OF PAYMENT UNIT ESTIMATES FOR FY 1998

In order to calculate individual service fees for FY 1998, we adjusted FY 1997 payment units for each service to more accurately reflect expected FY 1998 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade association projections when available. We tried to obtain verification for these estimates from multiple sources and, in all cases, we compared FY 1998 estimates with actual FY 1997 payment units to ensure that our revised estimates were reasonable. Where it made sense, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated exactly. These include an unknown number of waivers and/or exemptions that may occur in FY 1998 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical or other reasons. Therefore, when we note, for example, that our estimated FY 1998 payment units are based on FY 1997 actual payment units, it does not necessarily mean that our FY 1998 projection is exactly the same number as FY 1997. It means that we have either rounded the FY 1998 number or adjusted it slightly to account for these variables.

FEE CATEGORY	SOURCES OF PAYMENT UNIT ESTIMATES
Land Mobile (All), Microwave, IVDS ¹¹⁴ , Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic Public Fixed	Based on Wireless Telecommunications Bureau (WTB) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis.
CMRS Mobile Services	Based on actual FY 1997 payment units adjusted to take into consideration industry estimates of growth between FY 1997 and FY 1998 and Wireless Telecommunications Bureau projections of new applications and average number of mobile units associated with each application.
CMRS Messaging Services	Based on industry estimates of the number of units in operation.
AM/FM Radio Stations	Based on actual FY 1997 payment units.
UHF/VHF Television Stations	Based on actual FY 1997 payment units.
AM/FM/TV Construction Permits	Based on actual FY 1997 payment units.
LPTV, Translators and Boosters	Based on actual FY 1997 payment units.
Auxiliaries	Based on actual FY 1997 payment units.
MDS/MMDS	Based on actual FY 1997 payment units.
Cable Antenna Relay Service (CARS)	Based on actual FY 1997 payment units.
Cable Television System Subscribers	Based on Cable Services Bureau and industry estimates of subscribership.
Interstate Telephone Service Providers	Based on actual FY 1997 interstate revenues associated with contributions to the Telecommunications Relay System (TRS) Fund, adjusted to take into consideration FY 1998 revenue growth in this industry as estimated by the Common Carrier Bureau.
Earth Stations	Based on actual FY 1997 payment units.
Space Stations (GEOs & NGEOS)	Based on International Bureau licensee data bases.
International Bearer Circuits	Based on International Bureau estimate.
International HF Broadcast Stations, International Public Fixed Radio Service	Based on actual FY 1997 payment units.

¹¹⁴ The Wireless Telecommunications Bureau's staff advises that they do not anticipate receiving any applications for IVDS in FY 1998. Therefore, since there is no volume, there will be no regulatory fee in the IVDS category for FY 1998.

CALCULATION OF REVENUE REQUIREMENTS

Fee Category	FY 1998	(times)	(times)	(equals) Computed	Pro-Rated
	Payment Units	FY 1997 Fee	Payment Years	FY 1998 Revenue Requirement	Revenue Requirement
LM (220 MHz, >470 MHz-Base, SMRS)	4,645	10	5	232,250	225,691
Private Microwave	3,830	10	10	383,000	372,184
Domestic Public Fixed/Commercial Microwave	5,150	10	10	515,000	500,456
IVDS	0	0	5	0	0
Marine (Ship)	16,500	5	10	825,000	801,702
GMRS/Other LM	72,465	5	5	1,811,625	1,760,465
Aviation (Aircraft)	3,500	5	10	175,000	170,058
Marine (Coast)	1,370	5	5	34,250	33,283
Aviation (Ground)	1,865	5	5	46,625	45,308
Amateur Vanity Call Signs	10,000	5	10	500,000	485,880
AM/FM Radio	8,646	1,126	1	9,735,396	9,460,469
AM Construction Permits	62	195	1	12,090	11,749
FM Construction Permits	473	950	1	449,350	436,660
Satellite TV	105	950	1	99,750	96,933
Satellite TV Construction Permit	10	345	1	3,450	3,353
VHF Markets 1-10	42	35,025	1	1,471,050	1,429,508
VHF Markets 11-25	61	28,450	1	1,735,450	1,686,441
VHF Markets 26-50	71	18,600	1	1,320,600	1,283,306
VHF Markets 51-100	118	9,850	1	1,162,300	1,129,477
VHF Remaining Markets	207	2,725	1	564,075	548,146
VHF Construction Permits	10	4,800	1	48,000	46,644
UHF Markets 1-10	94	16,850	1	1,583,900	1,539,171
UHF Markets 11-25	96	13,475	1	1,293,600	1,257,069
UHF Markets 26-50	124	8,750	1	1,085,000	1,054,360
UHF Markets 51-100	172	4,725	1	812,700	789,749
UHF Remaining Markets	182	1,350	1	245,700	238,761
UHF Construction Permits	50	2,975	1	148,750	144,549
Auxiliaries	20,000	25	1	500,000	485,880
International HF Broadcast	4	390	1	1,560	1,516
LPTV/Translators/Boosters	2,290	220	1	503,800	489,573
CARS	1,800	65	1	117,000	113,696
Cable Systems	66,000,000	0.54	1	35,640,000	34,633,530
Interstate Telephone Service Providers	70,103,000,000	0.00116	1	81,319,480	79,023,026
CMRS Mobile Services (Cellular/Public Mobile)	55,540,000	0.24	1	13,329,600	12,953,173
CMRS - Messaging	39,592,000	0.03	1	1,187,760	1,154,218
MDS/MMDS	1,878	215	1	403,770	392,368
International Circuits	325,000	5	1	1,625,000	1,579,110
International Public Fixed	3	310	1	930	904
Earth Stations	3,000	515	1	1,545,000	1,501,369
Space Stations (Geostationary Orbit)	46	97,975	1	4,506,850	4,379,577
Space Stations (Non-Geostationary Orbit)	2	135,675	1	271,350	263,687
***** Total Estimated Revenue Collected				167,246,011	162,523,000
***** Total Revenue Requirement				162,523,000	162,523,000
Difference				4,723,011	0
** 0.971760098 factor applied					

CALCULATION OF REGULATORY COSTS

Fee Category	Actual FY 1997 Regulatory Costs	Overhead & Other Indirect Pro Rated	Total Costs With Overhead & Other Indirect Pro Rated	Total Costs Pro-Rated To \$162 Million**	Adjusted Pro-Rated Costs***
LM (220 MHz, >470 MHz-Band, SMRS)	1,952,428	98,195	2,050,623	2,113,136	2,113,136
Microwave	4,860,809	244,469	5,105,277	5,260,912	5,260,912
IVDS	2,122,499	106,749	2,229,248	2,297,206	2,297,206
Marine (Ship)	2,754,238	138,521	2,892,759	2,980,945	2,980,945
GMRS/Other LM	5,943,682	298,930	6,242,612	6,432,918	6,432,918
Aviation (Aircraft)	980,895	49,333	1,030,228	1,061,635	1,061,635
Marine (Coast)	685,608	34,482	720,090	742,041	742,041
Aviation (Ground)	562,239	28,277	590,516	608,518	608,518
Amateur Vanity Call Signs	88,615	4,457	93,072	95,909	95,909
AM/FM Radio	14,125,529	710,427	14,835,955	15,288,230	14,396,926
AM Construction Permits					103,960
FM Construction Permits					787,344
Satellite TV					70,397
Satellite TV Construction Permit					11,690
VHF Television	4,957,533	249,333	5,206,866	5,365,598	
VHF Markets 1-10					1,291,499
VHF Markets 11-25					1,129,458
VHF Markets 26-50					1,371,983
VHF Markets 51-100					1,000,147
VHF Remaining Markets					502,757
VHF Construction Permits					30,584
UHF Television	2,954,865	148,611	3,103,476	3,198,086	
UHF Markets 1-10					1,023,388
UHF Markets 11-25					756,347
UHF Markets 26-50					531,842
UHF Markets 51-100					484,190
UHF Remaining Markets					202,119
UHF Construction Permits					166,940
Auxiliaries	146,460	7,366	153,826	158,515	158,515
International HF Broadcast	217,931	10,961	228,891	235,869	235,869
LPTV/Translators/Boosters	736,547	37,044	773,590	797,173	797,173
CARS	61,797	3,108	64,905	66,883	66,883
Cable Systems	20,125,023	1,012,164	21,137,187	21,781,555	21,781,555
Interstate Telephone Service Providers	53,234,026	2,677,341	55,911,367	57,615,828	57,615,828
CMRS Mobile Services (Cellular/Public Mobile)	11,273,798	567,002	11,840,801	12,201,768	12,201,768
CMRS - One Way Paging	6,015,701	302,552	6,318,254	6,510,866	6,510,866
MDS/MMDS	1,357,260	68,262	1,425,521	1,468,979	1,468,979
International Circuits	8,253,772	415,114	8,668,886	8,933,157	8,933,157
International Public Fixed	193,436	9,729	203,165	209,358	209,358
Earth Stations	339,999	17,100	357,099	367,985	367,985
Space Stations (Geostationary Orbit)	5,677,889	285,563	5,963,452	6,145,248	6,145,248
Space Stations (Non-Geostationary Orbit)	540,215	27,169	567,385	584,681	584,681
Overhead & Other Indirect Costs	7,552,257				
***** Total	157,715,049	7,552,257	157,715,049	162,523,000	162,532,656
***** Total Revenue Requirement	162,523,000		162,523,000	162,523,000	162,523,000
Difference	(4,807,951)		(4,807,951)	0	9,656

** 1.046987 factor applied

*** The pro rated costs shown in the previous column needed to be adjusted to sub-allocate TV and radio costs.

Note: Columns may not add due to rounding.

Fee Category	Pro-Rated Revenue Requirement	Adjusted Activity Costs	Costs vs. Revenue Requirement Difference	Pro-Rated Revenue Requirement Plus 25% Ceiling	Round 1 Target Revenue	Round 1 Adjustable Target Revenue	Round 1 Pro-Rated Target Revenue**	Round 2 Target Revenue	Round 2 Adjustable Target Revenue	Round 2 Pro-Rated Target Revenue***	Computed New FY 1998 Regulatory Fee	Rounded New FY 1998 Regulatory Fee	Expected FY 1998 Revenue
LM (220 MHz, >470 MHz-Base, SMRS)	225,691	2,113,136	836.30%	282,114	282,114		282,114	282,114		282,114	12	12	278,700
Microwave	872,640	5,260,912	502.87%	1,090,800	1,090,800		1,090,800	1,090,800		1,090,800	12	12	1,077,600
IVDS	0	2,297,206		0	0		0	0		0	0	0	0
Marine (Ship)	801,702	2,980,945	271.83%	1,002,128	1,002,128		1,002,128	1,002,128		1,002,128	6	6	990,000
GMRS/Other LM	1,760,466	6,432,918	265.41%	2,200,581	2,200,581		2,200,581	2,200,581		2,200,581	6	6	2,173,950
Aviation (Aircraft)	170,058	1,061,635	524.28%	212,573	212,573		212,573	212,573		212,573	6	6	210,000
Marine (Coast)	33,283	742,041	2129.49%	41,604	41,604		41,604	41,604		41,604	6	6	41,100
Aviation (Ground)	45,308	608,518	1243.07%	56,635	56,635		56,635	56,635		56,635	6	6	55,950
Amateur Vanity Call Signs	485,880	95,909	-80.26%	607,350	95,909	95,909	128,310	128,310	128,310	128,757	1.29	1.29	128,757
AM/FM Radio	9,460,469	14,396,926	52.18%	11,825,586	11,825,586		11,825,586	11,825,586		11,825,586	1,368	1,375	11,888,250
AM Construction Permits	11,749	103,960	784.84%	14,686	14,686		14,686	14,686		14,686	237	235	14,570
FM Construction Permits	436,660	787,344	80.31%	545,825	545,825		545,825	545,825		545,825	1,154	1,150	543,950
Satellite TV	96,933	70,397	-27.38%	121,166	70,397	70,397	94,179	94,179	94,179	94,508	900	900	94,500
Satellite TV Construction Permit	3,353	11,690	248.64%	4,191	4,191		4,191	4,191		4,191	419	420	4,200
VHF Markets 1-10	1,429,508	1,291,499	-9.65%	1,786,885	1,291,499	1,291,499	1,727,804	1,727,804	1,727,804	1,733,829	41,282	41,275	1,733,550
VHF Markets 11-25	1,686,441	1,129,458	-33.03%	2,108,051	1,129,458	1,129,458	1,511,021	1,511,021	1,511,021	1,516,290	24,857	24,850	1,515,850
VHF Markets 26-50	1,283,306	1,371,986	6.91%	1,604,133	1,371,986	1,371,986	1,835,481	1,604,133		1,604,133	22,593	22,600	1,604,600
VHF Markets 51-100	1,129,477	1,000,147	-11.45%	1,411,846	1,000,147	1,000,147	1,338,025	1,338,025	1,338,025	1,342,691	11,379	11,375	1,342,250
VHF Remaining Markets	548,146	502,767	-8.28%	685,183	502,767	502,767	672,602	672,602	672,602	674,948	3,261	3,250	672,750
VHF Construction Permits	46,644	30,584	-34.43%	58,305	30,584		40,916	40,916	40,916	41,059	4,106	4,100	41,000
UHF Markets 1-10	1,539,171	1,023,388	-33.51%	1,923,964	1,023,388	1,023,388	1,369,117	1,369,117	1,369,117	1,373,892	14,616	14,625	1,374,750
UHF Markets 11-25	1,267,069	756,347	-39.83%	1,571,336	756,347	756,347	1,011,862	1,011,862	1,011,862	1,015,391	10,577	10,575	1,015,200
UHF Markets 26-50	1,054,360	531,842	-49.56%	1,317,950	531,842	531,842	711,513	711,513	711,513	713,994	5,758	5,760	713,000
UHF Markets 51-100	789,749	484,190	-38.69%	987,186	484,190	484,190	647,763	647,763	647,763	650,022	3,779	3,775	649,300

PROPOSED FY 1998 SCHEDULE OF REGULATORY FEES

Fee Category	Annual Regulatory Fee
PMRS (per license) (Formerly Land Mobile - Exclusive Use at 220-222 MHz, above 470 MHz, Base Station and SMRS) (47 CFR Part 90)	12
Microwave (per license) (47 CFR Part 101)	12
Interactive Video Data Service (per license) (47 CFR Part 95)	No Fee
Marine (Ship) (per station) (47 CFR Part 80)	6
Marine (Coast) (per license) (47 CFR Part 80)	6
General Mobile Radio Service (per license) (47 CFR Part 95)	6
Land Mobile (per license) (all stations not covered by PMRS and CMRS)	6
Aviation (Aircraft) (per station) (47 CFR Part 87)	6
Aviation (Ground) (per license) (47 CFR Part 87)	6
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	1.29
CMRS Mobile Services (per unit) (47 CFR Parts 20, 22, 24, 27, 80 and 90)	.29
CMRS One-Way Paging (per unit) (47 CFR Parts 20, 22 and 90)	.04
Multipoint Distribution Services (per call sign) (47 CFR Part 21)	260
AM & FM Radio (47 CFR Part 73)	
Group 1	2,500
Group 2	2,250
Group 3	2,000
Group 4	1,750
Group 5	1,500

Fee Category	Annual Regulatory Fee
AM & FM Radio (47 CFR Part 73) continued	
Group 6	1,250
Group 7	1,000
Group 8	750
Group 9	500
Group 10	250
AM Construction Permits	235
FM Construction Permits	1,150
TV (47 CFR Part 73) VHF Commercial	
Markets 1-10	41,275
Markets 11-25	24,850
Markets 26-50	22,600
Markets 51-100	11,375
Remaining Markets	3,250
Construction Permits	4,100
TV (47 CFR Part 73) UHF Commercial	
Markets 1-10	14,625
Markets 11-25	10,575
Markets 26-50	5,750
Markets 51-100	3,775
Remaining Markets	1,500
Construction Permits	3,625
Satellite Television Stations (All Markets)	900
Construction Permits - Satellite Television Stations	420
Low Power TV, TV/FM Translators & Boosters (47 CFR Part 74)	265
Broadcast Auxiliary (47 CFR Part 74)	11

Fee Category	Annual Regulatory Fee
Cable Antenna Relay Service (47 CFR Part 78)	50
Cable Television Systems (per subscriber)	.44
Interstate Telephone Service Providers (per revenue dollar)	.0011
Earth Stations (47 CFR Part 25)	165
Space Stations (per operational station in geostationary orbit) (47 CFR Part 25) also includes Direct Broadcast Satellite Service (per operational station) (47 CFR Part 100)	119,000
Space Stations (per operational system in non-geostationary orbit) (47 CFR Part 25)	164,800
International Circuits (per active 64KB circuit)	6
International Public Fixed (per call sign) (47 CFR Part 23)	375
International (HF) Broadcast (47 CFR Part 73)	475

COMPARISON BETWEEN FY 1997 & PROPOSED FY 1998 REGULATORY FEES

Fee Category	Annual Regulatory Fee FY 1997	Proposed Regulatory Fee FY 1998
PMRS (per license) (Formerly Land Mobile-Exclusive Use at 220-222 Mhz, above 470 Mhz, Base Station and SMRS) (47 CFR Part 90)	10	12
Microwave (per license) (47 CFR Part 101)	10	12
Marine (Ship) (per station) (47 CFR Part 80)	5	6
Marine (Coast) (per license) (47 CFR Part 80)	5	6
General Mobile Radio Service (per license) (47 CFR Part 95)	5	6
Land Mobile (per license) (all stations not covered by PMRS and CMRS)	5	6
Aviation (Aircraft) (per station) (47 CFR Part 87)	5	6
Aviation (Ground) (per license) (47 CFR Part 87)	5	6
Amateur Vanity Call Signs (per call sign) (47 CFR Part 97)	5	1.29
CMRS Mobile Services (per unit) (47 CFR Parts 20, 22, 24, 27, 80 and 90)	.24	.29
CMRS Messaging Services [formerly One Way Paging] (per unit) (47 CFR Parts 20, 22, and 90)	.03	.04
Multipoint Distribution Services (per call sign) (47 CFR Part 21)	215	260
Radio (47 CFR Part 73)		
Group 1	2,000	2,500
Group 2	1,800	2,250
Group 3	1,600	2,000
Group 4	1,400	1,750